



**Legislative Department
Seattle City Council
Memorandum**

Date: May 7, 2014
To: Finance and Culture Committee
From: Martha Lester, City Council Central Staff
Subject: **Resolution 31520 related to Capitol Hill BIA – for Finance and Culture Committee meeting May 14, 2014**

Proposed legislation to expand the boundaries of the Capitol Hill Business Improvement Area (BIA) has been submitted to the Council. The Finance and Culture Committee is expected to discuss and vote on Resolution 31520 at its May 14 meeting. This memo provides background information.

Background on Capitol Hill BIA

The Capitol Hill BIA was established by ordinance in 1986. The existing BIA boundaries encompass a narrow north-south swath along Broadway between about E. Roy and E. Pine Streets. The BIA assesses businesses primarily based on gross sales or gross business income as reported for Business and Occupation (B&O) tax purposes. The assessment rate has been amended twice by ordinance, in 1991 and 2001. The City contracts with the Capitol Hill Chamber of Commerce to administer BIA services.

BIA leaders on Capitol Hill have been discussing a possible expansion since 2011. The proposal that they submitted to the City would add about 1½ blocks at the southern end of the BIA, extending the boundaries to E. Pike Street. The map on page 3 shows the expansion area. (The BIA currently has two “areas” – Area 1 and Area 2. The map on page 3 depicts Area 2. Area 1 consists of fewer than a dozen parcels at the north end of the Broadway business district near Roy Street and adjacent to Area 2. I don’t know why the BIA was originally established with two separate, yet adjacent, “areas.”)

Procedure Steps to Expand BIA Boundary

As you may recall from review of prior BIA legislation, there are multiple pieces of legislation and multiple procedural steps required by state law (RCW chapter 35.87A).

Two items were introduced May 5 and referred to the Finance and Culture Committee:

- Resolution 31520 is the “resolution of intention to modify boundaries.”
- C.B. 118079 is the ordinance that would implement the boundary modification.

Under state law, the Council may expand the boundaries of an existing BIA provided that the projected assessment revenue from the expansion area is no greater than 10 percent of the current assessment revenue of the existing BIA. (If the projected assessment revenue from the expansion area were greater than 10 percent, then it would be considered a *new* BIA, and would need to start with the petition process.)

Resolution 31520 is on the Finance and Culture Committee agenda for the Wednesday, May 14, meeting for discussion and vote. It describes the proposed boundary expansion, and states the date, time, and place of the public hearing.

I will be on vacation so will not be at that committee meeting. However, staff from the Department of Finance and Administrative Services (FAS), as well as a representative from the Capitol Hill BIA, will be at the May 14 committee meeting to describe the background, outreach, intent, and scope of the proposed boundary expansion.

Assuming the resolution is adopted by the Full Council (anticipated for May 19), FAS staff will work with the City Clerk to publish and mail the adopted resolution as required by state law.

The next step will then be to hold a public hearing, currently anticipated for the special Finance and Culture Committee meeting on Thursday, June 5, at 2 p.m. The focus of the public hearing will be C.B. 118079, which would implement the expansion of the boundaries of the Capitol Hill BIA.

After the public hearing, there will be time at that same Finance and Culture Committee meeting for Councilmember questions and discussion. We anticipate a committee vote at the June 25 Finance and Culture Committee meeting, and the legislation would then go to Full Council.

Note that I will be on vacation May 14-28. If you have questions during that time, please send them to Newell Aldrich, and I will check in with Newell when I return from vacation. You can also send any BIA questions to Teri Allen in FAS.

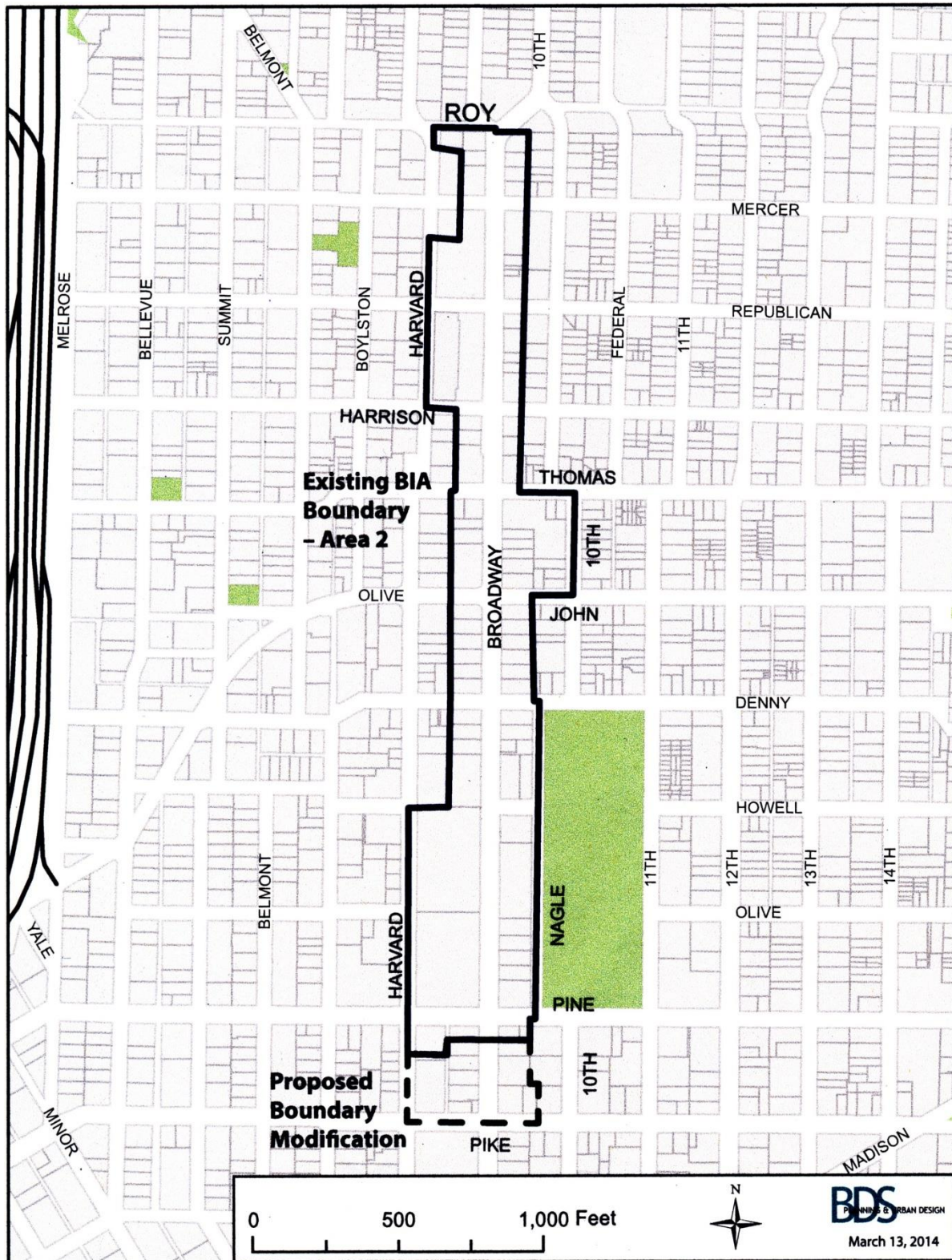


Illustration of Capitol Hill Business Improvement Area – Area 2 Expansion

This map is for illustrative purposes only and is not intended to modify anything in the legislation.